

**Company Registration No. 03841821**

**Kajima Partnerships Limited**

**Report and Financial Statements**

**31 December 2013**

# **Kajima Partnerships Limited**

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# **Kajima Partnerships Limited**

## **Officers and professional advisers**

### **Directors**

J M Rudd-Jones  
H Iizawa  
A Longshaw  
N W M G Chism  
K Uchida

### **Secretary**

D M Hedge

### **Registered office**

55 Baker Street  
London  
W1U 8EW

### **Bankers**

Sumitomo Mitsui Banking Corporation Europe Limited

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ

# Kajima Partnerships Limited

## Directors' report

The directors present their annual report on the affairs of Kajima Partnerships Limited ("the company"), together with the financial statements and auditors' report, for the year ended 31 December 2013. This directors' report has been prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

### Business review and principal activities

The company is a wholly-owned subsidiary of Kajima Estates (Europe) Limited.

The company's principal activity is the development and management of commercial property and public private partnership projects in the UK.

During the year, the company purchased the remaining 15,000 £1 'A' ordinary shares in Children's Ark Partnership Ventures Limited that did not already own and transferred its then 100% interest in the company to its 50% joint venture company, Redwood Partnership Ventures Limited, realising a profit of £5,775,959 (Note 9). In addition, the company made acquisitions of private finance initiative investments at a total cost of £1.79m, details of which are set out in Note 9 on page 13, details of the company's current investments being given in Note 18 on page 17.

Apart from the above, there have not been any significant changes in the company's principal activities in the year under review and the directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

### Results and dividends

As shown in the company's profit and loss account on page 6, the company's turnover (consisting principally of commercial and PFI project management fees) has increased by £0.777m and operating loss increased by 17.80% compared with the previous year. After taking account of interest, disposals and dividends receivable, the company made a profit of £7.06m (2012: £1.70m).

No dividend was paid in the year (2012: £nil) and the directors recommend that no final dividend be paid (2012: £nil).

The balance sheet on page 7 of the financial statements shows that the company's financial position at the year-end has improved by £7.06m in terms of its total net assets compared to the prior year.

### Going concern

The company meets its day to day working capital requirements principally through a short-term borrowing facility from its ultimate UK parent company, Kajima Europe Limited. As a result of market uncertainty due to the economic environment, the following are potential risks to the company:

- the incidence of losses on its investments in PFI projects; and
- its failure to win any further projects or to raise the necessary senior debt to finance such projects, having incurred substantial bid costs.

In respect of its PFI projects, the company maintains rolling cash flow forecasts based on the respective bank-approved financial models, which are regularly updated to reflect actual cash movements and any projected changes; these forecasts are used to monitor each project company's ability to meet its future cash commitments and ensure compliance with the bank covenants.

With regard to prospective new projects, management keeps a close watch on its markets and enters into the bidding process only in cases where there is a reasonable prospect of success.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

# Kajima Partnerships Limited

## Directors' report (continued)

### Principal risks and uncertainties

The principal risks and uncertainties facing the company are set out under 'going concern' (above).

The directors do not consider there to be any material credit or pricing risk associated with the company's fee income derived from, or sales of its shares in, its joint venture companies, as these are all subject to contractual arrangements with local authorities, which are considered to be quasi-governmental organisations, the credit risk and associated cash flow risk are not considered significant.

The company is not exposed to any significant currency risks, as all its loans are denominated in sterling.

### Directors and their interests

The current directors of the company are shown on page 1. The following changes have taken place during the year or subsequently:

	Appointed	Resigned
K Uchida	01.01.13	
M Uchida		01.01.13
A Yajima		27.08.13

None of the directors had any interests in the shares of the company or any other group company at any time during the year.

Qualifying third party indemnity provisions are currently in force for the benefit of certain directors.

### Disclosure of information to auditor

Each of the directors at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

### Auditor

Deloitte LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 and, unless the company receives notice under Section 488(1) of the Act, offer themselves for reappointment as auditors in accordance with the Companies Act.

By Order of the Board



D M Hedge  
Secretary

26th June 2014

# **Kajima Partnerships Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed: and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of Kajima Partnerships Limited**

We have audited the financial statements of Kajima Partnerships Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on matters prescribed in the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the directors' report.



Makhan Chahal ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

20th June 2014

## Kajima Partnerships Limited

### Profit and loss account Year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	4,304,015	3,526,697
Cost of sales		-	-
<b>Gross profit</b>		<u>4,304,015</u>	<u>3,526,697</u>
Administrative expenses		(6,600,702)	(5,476,403)
<b>Operating loss</b>	3	<u>(2,296,687)</u>	<u>(1,949,706)</u>
Other income	5	495,000	950,000
Net interest receivable	6	2,990,678	2,702,139
Profit on sale of investments	7	5,875,959	-
<b>Profit on ordinary activities before taxation</b>		<u>7,064,950</u>	<u>1,702,433</u>
Taxation	8	-	-
<b>Profit on ordinary activities after taxation retained for the year</b>	16	<u><u>7,064,950</u></u>	<u><u>1,702,433</u></u>

All results are derived from continuing operations. The company had no other recognised gains or losses for the current or preceding year. Accordingly, no statement of total recognised gains and losses is presented.

The notes on pages 8 to 16 form part of these financial statements.

# Kajima Partnerships Limited

## Balance sheet 31 December 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	9	6,741,149	5,211,307
Tangible fixed assets	10	29,204	16,941
		<u>6,770,353</u>	<u>5,228,248</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	11	32,621,761	29,762,912
Debtors: amounts falling due within one year	12	4,428,734	3,520,588
Cash at bank and in hand		311,615	88,140
		<u>37,362,110</u>	<u>33,371,640</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,898,626)</u>	<u>(4,431,001)</u>
<b>Net current assets</b>		<u>34,463,484</u>	<u>28,940,639</u>
<b>Total assets less current liabilities</b>		<u>41,233,837</u>	<u>34,168,887</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(5,250,922)</u>	<u>(5,250,922)</u>
<b>Net assets</b>		<u>35,982,915</u>	<u>28,917,965</u>
<b>Capital and reserves</b>			
Called up share capital	15	100,000	100,000
Profit and loss account	16	35,882,915	28,817,965
<b>Shareholder's funds</b>	16	<u>35,982,915</u>	<u>28,917,965</u>

The financial statements of Kajima Partnerships Limited, registered number 03841821, were approved by the Board of Directors on 12 June 2014 and signed on its behalf by:

  
N W M G Chism  
Director

The notes on pages 8 to 16 form part of these financial statements.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the current and preceding year.

#### Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 and 3. The Directors' Report also describes the financial position of the company; its objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### Group accounts

The company is exempt from the obligation to prepare and deliver group accounts under S.400 Companies Act 2006 as it is itself a subsidiary undertaking of an EU parent and is included in the parent's consolidated accounts. Since the UK parent company, Kajima Europe Limited, produces consolidated financial statements, these accounts present information about the company as an individual undertaking and not its group.

#### Turnover

Turnover represents fee income for project management and property development services, exclusive of value added tax, and is recognised on an accruals basis.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided in equal annual instalments over the estimated useful lives of computer equipment at the rate of 33.3% per annum.

#### Pre-contract costs

Costs incurred for the purpose of obtaining new contracts ("bid costs") are written off as incurred.

#### Investments

Investments in subsidiary companies and joint ventures are stated at cost less provision for any impairment.

#### Related party transactions

The company is a wholly-owned subsidiary of the Kajima Europe Limited group of companies and has taken advantage of the exemption that is conferred by Financial Reporting Standard 8 (*Related Party Disclosures*) that allows it not to disclose transactions with group companies.

#### Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Cash flow statement

The company has taken advantage of the exemption provided under Financial Reporting Standard 1 (Revised 1996) not to provide a cash flow statement, as it is a wholly-owned subsidiary undertaking.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 2. TURNOVER

Turnover, which represents fee income for project management and property development services, was wholly derived from the UK.

### 3. OPERATING LOSS

Operating profit is stated after charging:

	2013 £	2012 £
Fees payable to the company's auditor:		
For the audit of the annual accounts:		
Company	33,000	31,650
Total audit fees	<u>33,000</u>	<u>31,650</u>
Non-audit services:		
Taxation compliance services	8,250	9,000
Total non-audit fees	<u>8,250</u>	<u>9,000</u>
Total fees (all borne by the company)	<u>41,250</u>	<u>40,650</u>
Bid costs	<u>913,570</u>	<u>526,410</u>

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013 £	2012 £
Directors' remuneration:		
Emoluments	501,000	486,500
Pension contributions	54,175	51,850
	<u>555,175</u>	<u>538,350</u>
Highest paid director:		
Emoluments	250,000	246,000
Pension contributions	32,625	31,350
	<u>282,625</u>	<u>277,350</u>
Employee costs (including directors) during the year:		
Wages and salaries	2,889,712	2,607,471
Social security costs	355,411	338,987
Other pension costs	387,185	346,106
	<u>3,632,308</u>	<u>3,292,564</u>
	No.	No.
Average number of persons including directors employed:		
Administration	16	15
Project management	32	27
	<u>48</u>	<u>42</u>

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 5. OTHER INCOME

Other income consists of dividends received from the following joint venture undertakings:

	2013 £	2012 £
Redwood Partnership Ventures Limited	375,000	375,000
Redwood Partnership Ventures 2 Limited	120,000	575,000
	<u>495,000</u>	<u>950,000</u>

### 6. NET INTEREST RECEIVABLE

	2013 £	2012 £
<b>Interest receivable</b>		
Subordinated loans (Note 11)	3,010,694	2,702,432
Bank	80	155
	<u>3,010,774</u>	<u>2,702,587</u>
<b>Interest payable</b>		
UK parent company	(20,096)	(448)
<b>Net interest receivable</b>	<u>2,990,678</u>	<u>2,702,139</u>

### 7. PROFIT ON SALE OF INVESTMENTS

	2013 £	2012 £
Children's Ark Partnerships Holdings Limited ("CAPH")	5,775,959	-
Brentwood Healthcare Partnership Holding Limited ("BHPH")	100,000	-
	<u>5,875,959</u>	<u>-</u>

During the year, the company purchased the remaining 15,000 £1 'A' ordinary shares in CAPH that it did not already own and transferred its then 100% interest in the company to Redwood Partnership Ventures Limited (Note 9).

The amount in respect of BHPH represents the write-back of a provision for costs in respect of that company's disposal in the year ended 31 December 2011.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 8. TAXATION

#### (a) Tax charge for the year

No current or deferred tax charge or credit arises in the year.

#### (b) Factors affecting tax charge for the year

The current tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	7,064,950	1,702,433
Profit on ordinary activities multiplied by the effective rate of UK corporation tax of 23.25% (2012: 24.5%)*	(1,642,601)	(417,096)
<i>Effects of:</i>		
Non-taxable income	115,088	232,750
Depreciation in excess of capital allowances	(4,525)	(5,497)
Expenses not deductible for tax purposes	(28,997)	(10,320)
Transfer pricing adjustment	1,701	2,218
Group relief claimed for nil consideration:		
Revenue losses	193,174	197,945
Capital losses	1,366,160	-
Current tax credit for the year	-	-

\*Blended rates for 2013 and 2012

#### (c) Deferred taxation

A potential deferred tax asset of £1.1m (2012: £1.3m), primarily in relation to short-term timing differences, has not been recognised on the basis that it is not expected to have any practical value in the short term.

Under UK GAAP, deferred tax, where applicable, is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2013 to reduce the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. It is anticipated that the timing differences will reverse at the reduced tax rate of 20%, which has therefore been applied in the calculation of deferred tax.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 9. FIXED ASSETS - INVESTMENTS

Cost and net book value	Shares in joint venture undertakings £
At 1 January 2013	5,211,307
Acquisitions	1,789,842
Disposals	(260,000)
At 31 December 2013	<u>6,741,149</u>
<i>Comprising:</i>	
Redwood Partnership Ventures Limited ("RPV")	1,642,501
Redwood Partnership Ventures 2 Limited ("RPV2")	5,097,648
Kajima Healthcare (Bicester) Limited	1,000
	<u>6,741,149</u>
	Percentage
<i>Acquisitions:</i>	holding acquired
Kajima Healthcare (Bicester) Limited	100% 1,000
Blue 3 (Gloucestershire Fire) Holdings Limited	25% 476,342
Redwood Partnership Ventures Limited	680,000
Redwood Partnership Ventures 2 Limited	632,500
	<u>1,789,842</u>
	Percentage
<i>Disposals:</i>	holding disposed of
Clinicenta (Hertfordshire) Limited	100% 15,000
Children's Ark Partnerships Holdings Limited	86.84% (net)* 245,000
*Net disposal taking account of acquisition by RPV2	<u>260,000</u>

On 27 March 2013, the company subscribed for 1,000 ordinary shares of £1 each in Kajima Healthcare (Bicester) Holding Limited for cash at par.

On 28 March 2013, in order to finance RPV2's acquisition of the remaining 50% of HDM Schools Solutions (Holdings) Limited ("HDMH") (50% having been purchased by RPV2 in the previous year), the company (25%) and its co-investor, Infrastructure Investment Limited Partnership ("IILP") (75%), subscribed £2,530,000 for new ordinary shares of £1 each in RPV2 and £2,500,000 loan notes, all for cash at par. In addition, the company and IILP purchased £3,120,000 of HDMH's existing loan notes in the same proportions for cash at par.

On 30 June 2013, in order to finance RPV2's acquisition of Blue 3 (Gloucestershire Fire) Holdings Limited ("BGFH"), the company (25%) and IILP (75%), subscribed £1,905,368 for new ordinary shares in RPV2 and £1,800,000, all for cash at par. In addition, the company and IILP purchased the £1,800,000 of BGFH's existing loan notes in the same proportions for cash at par.

On 14 August 2013, the company sold its 100% shareholding in Clinicenta (Hertfordshire) Limited for £15,000 for cash at par.

On 31 October 2013, the company purchased £15,000 'A' ordinary shares of £1 each (being the balance of such shares that it did not already own) in Children's Ark Partnerships Holdings Limited from the minority shareholder for £55,000 and, on the same day, sold its 100% holdings of both 'A' and 'B' £1 ordinary shares to RPV2 for £6,216,535.

All the above companies are joint ventures principally involved in the UK Government's Private Finance Initiative ("PFI") and are registered and incorporated in Great Britain. A list of the company's current UK PFI projects is provided in Note 19.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 10. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>Cost</b>	
At 1 January 2013	137,661
Additions	31,725
At 31 December 2013	<u>169,386</u>
<b>Depreciation</b>	
At 1 January 2013	120,720
Charge for the year	19,462
At 31 December 2013	<u>140,182</u>
<b>Net book value</b>	
At 31 December 2013	<u>29,204</u>
At 31 December 2012	<u>16,941</u>

### 11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Interest rate	2013 £	2012 £
Subordinated loans due from joint venture undertakings:			
Ealing Schools Partnerships Holdings Limited	13.00%	1,080,442	1,080,442
Kajima North Tyneside Holdings Limited	12.00%	1,210,236	1,210,236
Wooldale Partnerships Holdings Limited	12.60%	590,806	590,806
Kajima Haverstock Holding Limited	12.50%	882,292	882,292
Children's Ark Partnerships Holding Limited	12.50%	1,805,137	5,060,573
Hadfield Healthcare Partnerships Holding Limited	12.50%	592,920	592,920
Bootle Accommodation Partnership Holding Limited	12.50%	1,791,130	1,791,130
Kajima Darlington Schools Holding Limited	12.25%	1,489,296	1,489,296
Brentwood Healthcare Partnership Holding Limited	12.50%	567,329	567,329
Kajima Newcastle Libraries Limited	12.00%	1,521,177	1,573,182
Redwood Partnerships Ventures Limited	12.0 – 13.0%	6,206,077	2,941,967
Redwood Partnerships Ventures 2 Limited	9.75%	4,640,046	3,527,274
Academy Services (Norwich) Limited	13.00%	593,841	593,841
Academy Services (Oldham) Limited	13.00%	981,129	981,129
Academy Services (Sheffield) Limited	13.00%	464,745	464,745
Central Blackpool PCC Holding Company Limited	12.00%	339,981	360,253
HDM Schools Solutions (Holdings) Limited	12.50%	1,706,918	804,575
Kajima Healthcare (Bicester) Limited	4.85%	444,293	-
Blue 3 (Gloucester Fire) Limited	11.50%	463,044	-
		<u>27,370,839</u>	<u>24,511,990</u>
Amount due from UK parent undertaking	Nil	5,250,922	5,250,922
		<u>32,621,761</u>	<u>29,762,912</u>

Recovery of the subordinated loans due will be from 2013 to 2037. These loans are on identical terms to subordinated loans of the same amounts by the above companies to their respective subsidiaries.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	237,514	417,061
Amounts owed by parent undertaking	3,400,017	5,972
Amounts owed by fellow subsidiary undertakings	663,075	2,405,936
Amounts owed by joint venture undertakings	12,420	409,194
Prepayments and accrued income	99,058	273,796
Other debtors	16,650	8,629
	<u>4,428,734</u>	<u>3,520,588</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	97,748	212,283
Amounts owed to UK parent undertaking	996,710	2,209,522
Amounts owed to fellow subsidiary undertakings	-	346,681
Other creditors	106,306	63,227
Other taxes and social security	106,536	97,755
Accruals and deferred income	1,591,326	1,501,533
	<u>2,898,626</u>	<u>4,431,001</u>

### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Loan from UK parent undertaking (unsecured)	<u>5,250,922</u>	<u>5,250,922</u>

The loan is interest-free and is not repayable within one year of the balance sheet date.

### 15. CALLED UP SHARE CAPITAL

	2013 £	2008 £
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 16. MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2013	100,000	28,817,965	28,917,965
Profit for the year	-	7,064,950	7,064,950
At 31 December 2013	<u>100,000</u>	<u>35,882,915</u>	<u>35,982,915</u>

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 17. RELATED PARTY TRANSACTIONS

During the year, the company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. The names of the related parties and the total value of the transactions are shown below:

	2013		2012	
	Value of transactions £	Receivable/ (payable) at year-end £	Value of transactions £	Receivable/ (payable) at year-end £
Ealing Schools Partnerships Limited	163,611	-	167,044	12,651
Ealing Schools Partnerships Holdings Limited	136,001	1,080,442	136,374	1,080,442
Kajima North Tyneside Limited	92,978	-	96,781	-
Kajima North Tyneside Holdings Limited	140,965	1,210,236	141,351	1,210,236
Wooldale Partnerships Limited	120,722	-	137,981	15,061
Wooldale Partnerships Holdings Limited	72,150	590,806	72,348	590,806
Kajima Haverstock Limited	122,775	-	154,317	21,338
Kajima Haverstock Holding Limited	105,683	882,292	108,243	882,292
Children's Ark Partnerships Limited	74,849	-	135,411	59,548
Children's Ark Partnerships Holdings Limited	(2,839,976)	1,805,137	614,930	5,060,572
Hadfield Healthcare Partnerships Limited	78,511	-	76,500	-
Hadfield Healthcare Partnerships Holding Limited	71,875	592,920	72,072	592,919
Bootle Accommodation Partnership Limited	180,927	-	180,521	(1,955)
Bootle Accommodation Partnership Holding Limited	217,053	1,791,130	217,647	1,791,130
Kajima Darlington Schools Limited	120,973	-	140,701	20,552
Kajima Darlington Schools Holding Limited	176,974	1,489,296	177,459	1,489,296
Brentwood Healthcare Partnership Limited	77,888	-	76,500	-
Brentwood Healthcare Partnership Holding Limited	68,750	567,329	68,938	567,329
Kajima Newcastle Libraries Limited	92,979	-	96,781	-
Kajima Newcastle Libraries Holding Limited	179,496	1,521,177	184,498	1,573,182
Redwood Partnership Ventures Limited ("RPVL")	4,006,226	6,206,077	698,828	3,121,966
Redwood Partnership Ventures 2 Limited ("RPV2")	1,606,029	4,640,046	1,417,934	3,587,274
Academy Services (Norwich) Limited	75,725	-	86,000	-
Academy Services (Norwich) Holdings Limited	74,750	593,841	74,955	593,841
Academy Services (Oldham) Limited	73,987	-	86,000	-
Academy Services (Oldham) Holdings Limited	123,500	981,129	123,838	981,129
Academy Services (Sheffield) Limited	73,987	-	86,000	-
Academy Services (Sheffield) Holdings Limited	58,500	464,745	58,660	464,745
Central Blackpool PCC Limited	71,685	-	35,000	42,000
Central Blackpool PCC Holding Company Limited	39,184	339,981	300,211	360,253
HDM Schools Solutions Limited	-	-	-	-
HDM Schools Solutions (Holdings) Limited	999,575	1,706,918	670,479	804,575
Kajima Healthcare (Bicester) Limited	498,444	444,293	-	-
Blue 3 (Gloucester Fire) Limited	-	-	-	-
Blue 3 (Gloucester Fire) Holdings Limited	959,087	463,044	-	-

All the above amounts have arisen from transactions in the normal course of business. No amounts due from related parties have been provided for or written off as bad debts.

The nature of the transactions is as follows:

- Holding companies: interest receivable on subordinated loans.
- Project companies and RPVL and RPV2: management fees receivable, recharge of salaries and insurance premiums.

Transactions with other group companies are covered by the exemption that is conferred by Financial Reporting Standard 8, Related Party Disclosures that allows the company not to disclose transactions with group companies.

# Kajima Partnerships Limited

## Notes to the financial statements Year ended 31 December 2013

### 18. CURRENT PROJECTS

The company now holds investments in sixteen single purpose project companies via intermediate holding companies as follows:

Name	Client	Sector	Percentage holding	Financial close date	Stage
Kajima North Tyneside Limited	North Tyneside Council	Education	50% *	December 2002	Operation
Ealing Schools Partnerships Limited	London Borough of Ealing	Education	50% *	December 2002	Operation
Wooddale Partnerships Limited	Northampton Borough Council	Education	50% *	March 2003	Operation
Bootle Accommodation Partnership Limited	Health & Safety Executive	Office accommodation	50% *	October 2003	Operation
Kajima Haverstock Limited	London Borough of Camden	Education	50% *	October 2003	Operation
Kajima Darlington Schools Limited	Darlington Borough Council	Education	50% *	March 2004	Operation
Children's Ark Partnerships Limited	Brighton Health Care NHS Trust	Health	50% *	June 2004	Operation
Kajima Newcastle Libraries Limited	Newcastle City Council	Education	50% *	June 2007	Operation
Brentwood Healthcare Partnership Limited	South West Essex Primary Care Trust	Health	25% **	June 2006	Operation
Hadfield Healthcare Partnership Limited	Sheffield Teaching Hospitals NHS Foundation Trust	Health	25% **	November 2004	Operation
Academy Services (Norwich) Limited	Norfolk County Council	Education	25% **	March 2006	Operation
Academy Services (Oldham) Limited	Oldham Metropolitan Borough Council	Education	25% **	May 2006	Operation
Academy Services (Sheffield) Limited	Sheffield City Council	Education	25% **	April 2005	Operation
Central Blackpool PCC Limited	NHS Blackpool	Health	25% **	December 2008	Operation
HDM Schools Solutions Limited	West Lothian Council	Education	25% **	August 2009	Operation
Kajima Healthcare (Bicester) Limited	Secretary of State for Health	Health	100%	March 2011	Development
Blue 3 (Gloucestershire Fire) Limited	Gloucestershire County Council	Fire service	25% **	March 2011	Operation

\* These investments are held through the company's shareholding in Redwood Partnership Ventures Limited.

\*\* These investments are held through the company's shareholding in Redwood Partnership Ventures 2 Limited.

The company is currently pursuing further PFI projects in all of the above and related sectors.

### 19. ULTIMATE AND IMMEDIATE PARENT COMPANY

The company's ultimate controlling entity, ultimate parent company and parent company of the largest group of which the company is a member and for which group financial statements are prepared is Kajima Corporation, a company incorporated in Japan. Copies of the group financial statements of Kajima Corporation are available from 2-7 Motoakasaka 1-chome, Minato-ku, Tokyo 107-8388 Japan.

The company's immediate parent is Kajima Estates (Europe) Limited, a company incorporated in Great Britain. The smallest group of which the company is a member and for which group financial statements are prepared is Kajima Europe Limited, also incorporated in Great Britain. Copies of the group financial statements are available from the registered office.